Exchange Stakeholder Work Group
Friday May 25, 2012
RI-CIE – 7:30am
Meeting Minutes

Attendees: Sandi Ferretti, Mark Deion, Amy Black, Linda Katz, Jason Martiesian, Kim Paull, Rich Glucksman, Owen Heleen, Rebecca Kislak, Mike Ryan, Tom Dwyer, Domenic Delmonico, Linda Johnson, Amanda Clarke, Rachelle Dunning, Vivian Weissman, Deb Faulkner, Lindsay McAllister, Dan Meuse, Elaina Goldstein, Pam Gencarella, Stacy Paterno, Craig O'Conner, Jennifer Wood

I. Call to Order – Dan Meuse called the meeting to order at 7:30am. He welcomed members and advised that for the summer months this group would be considering a time shift to consistently meeting at 8:30am during the summer months as opposed to alternating between 7:30am and 8:30 am. After checking in with members and reviewing attendance records we will email out if a change is made. Mr. Meuse then moved into the topic discussion of the day.

II. Presentation on Qualified Health Plan (hereafter QHP) Selection [Slides available upon request and on website]

Questions/Comments/ Clarifications

a. Jason Martiesian: On the second bullet under maximize enrollment, can you speak a bit more on market power needs?
    i. Dan Meuse: It is not necessarily a statement on what the exchange is going to do in three years. If in the future the exchange wants to push for changes it wants to push some new innovation that is not necessarily here in the marketplace right now, it would have trouble doing that without a base of covered lives. Classic negotiation is that you cannot go and demand something of a provider of services if you do not have someone to purchase those services at that time. The exchange is a stronger medium as it provides the way to access tax credits and subsidies to make insurance more affordable, but we recognize that if you go to an insurer and say we really want this change, this new product, this innovation with no customer base to speak of you will not be that successful. That is where that bullet comes from.
b. Mark Deion: I know you can extrapolate it from the worst here, maximize enrollment, but specifically a cost structure that is less than what currently exists. I think that needs to be a high level priority – when the Mass Connector was initially started they went for enrollment but they did not deal with cost structure and payment structure. The cost factor needs to be significantly benchmarked. That priority of cost fulfills a lot of these other bullets.

i. Deb Faulkner: The challenge is that you get into this vicious cycle, if you don't set up something that can negotiate and has enrollment, then you cannot monitor cost.
ii. Mark Deion: I agree, but they need to be woven together.
iii. Elaina Goldstein: I believe that on the cost front you need to look at what is happening on the initial start up. When talking about what health plans are going to have to meet the benefits package that we set. I was looking at this discussion of WHP selection to not include the cost discussion – feeling that perhaps these are parallel tracks. We have the health plans, we have done this, now how do we do what we need to in the exchange, barring the EHB package. The Issue is what kinds of market reforms can be made with providers by the exchange. Do we want the exchange to be able to push, yes enrollment, but further.
iv. Dan Meuse: Your parallel track discussion is absolutely relative. One of the standards for QHP certification is that you have EHB, in the coming months these become one track.

c. Rich Glucksman: Can you explain what you mean under bullet two under encourage market innovation?
i. Dan Meuse: The priority to encourage market innovation is done so in order to meet some of the goals and principles. If the exchange wants to have an active role in impacting cost trends and impacting delivery system effectiveness, it cannot necessarily do that without impacting innovation factors. In essence the priority is meant to say that if the exchange wants to incent or demand or require the same types of market innovations that are being pushed by other state programs, then that encouragement of innovation must be pushed as it selects QHPS.

d. Elaina Goldstein: United and BCBS, the products that you can sell in the exchange are the same products that you can sell outside the exchange are those the same in the individual market and the small group market?
i. Dan Meuse: In a way, yes. The current plan structure in the small group market vs. federal minimum guidelines. For the most part, plans offered by two dominant carriers offer would meet requirements, but they will need to tier them.
ii. Elaina Goldstein: As an individual, the only place that I would have choice as an individual would be in the exchange or could the carriers be offering in the individual market outside the exchange? From a consumer standpoint why would I go to the exchange, if I do not meet the subsidy?
iii. Jason Martiesian: I think that is the question, you will have a marketplace on the exchange that small employers and individuals who are eligible for a subsidy will have a place to

purchase, but for an exchange to be successful you are going to want to attract individual and small employers who do not meet the subsidy requirements to purchase through the exchange to help it sustain itself. Having the products and the consumer experience is key.

iv. Dan Meuse: There are a couple of policy questions that affect that inside/outside the exchange choice. The administration put forth a bill that would require issuers to offer something inside the exchange and something exactly the same outside the exchange. The idea for that was that if you a considering going through the exchange you can compare apples to apples plans, and then decide apples to oranges. If plan X inside the exchange and plan x outside the exchange are the same, then I can compare plans A, B, C that are also outside the exchange and see how they compare with those inside the exchange as you have x as a constant.

v. Elaina Goldstein: Very few people read their plan of evidence, when they could chose it was what is the least expensive plan, does it cover what I need – okay. If a plan costs 500 in the exchange and 475 outside, then they would go with outside.

vi. Deb Faulkner: Products will cost the same inside and outside the exchange. What will bring people to the exchange first is the subsidy, but then also is that it is an easy place that people can see all their options in one place, and compare and have a resource to make the process really easy. We do not know that people will make that choice, or if they will go to the individual issuers.

e. Mark Deion: One of the reasons why we are doing the exchange is that the least expensive plans currently offered by insurers are not affordable. The exchange will be able to develop a plan that is less expensive than what is currently available, but the cost inside and outside will be mirrored. The idea that BCBS will suddenly come up with a plan outside the exchange that is markedly less is unlikely in my mind as they aren't doing that now.

i. Jason Martiesian: I just disagree with that, understanding that we are not focusing on this today.

ii. Linda Katz: You should be able to compare right on the website that you are buying, but there is also a huge consumer assistance piece that will come with the exchange. Part of the value of marketing the exchange, is that you want to buy there because there will be a lot of assistance that many do not have access to.

iii. Elaina Goldstein: I disagree, but I just don't know what is the value proposition for people to buy through the exchange.

iv. Dan Meuse: Is there a potential for that, yes, but it is something we can work through and in addition to marketing the exchange to be very enticing.

f. Tom Dwyer: Suppose that no issuer is willing to offer a plan in the exchange, where does that leave the exchange in RI?
   i. Dan Meuse: That is a worst-case scenario. If we fail terribly and that happens, there is actually going to be a plan on the exchange not currently offered in the state available from the office of personal management, multi state plans, so we will have a player or players to be named later who will participate in the exchange. The issuer would most likely be a large national carrier that currently provides for federal employees, it could be like an AETNA or a CIGNA, or someone else.
   ii. Tom Dwyer: This would be some nationally established plan benchmarked on federal plan?
   iii. Dan Meuse: Theoretically the multi state plans will have the state specific EHB that each has selected, will be included within that nationally based plan. So yes there would be plans for sale in the exchange if none of our current domestic carriers elected to participate in the exchange.

g. Domenic Delmonico: I think a principle that needs to be here is simplicity. I would suggest that the word simple be embedded into this - as we get too sophisticated with all this, we will lose folks.
   i. Dan Meuse: I don't disagree, but I will push back. There are certain items that people care about. Are their providers there and how much does it cost to pay their providers, but they don't care about as a policy the state and the exchange see it as a way to push innovation in the delivery market.
   ii. Domenic Delmonico: The Mass connector have wrestled with this since they started, for certain folks purchasing these, there are a level of safety and safeguards that get into these products, but not in the choice side. Where is MA on the simplicity side?
   iii. Deb Faulkner: It is a spectrum that we are going to be working on depending on the issues – evolve with what makes the most sense in Rhode Island. Very different for individuals and small employers, different from small group and large group in MA. Over time they had to evolve towards more specification, and we are going to go through some of that here, the balance of keeping it simple, promoting the things we ant to promote, keeping carriers engaged and meeting some of the goals that we want to meet while still keeping in mind market objectives. The pressure point between a market based solution and a standardization-based solution to me is that it is a balancing act we are going to continually deal with on an ongoing basis. We want to get a start on this at least – MA models do not

completely apply as they have a different market, stakeholders have intimated that they do not adore the Utah model, we have experience with health pact that we need to adjust etc, but we are striking our own ground.

h. Jason Martiesian: EMR incentive piece, how is that a product plan design?
    i. Domenic Delmonico: The theory is that the more advanced you are at doing EMR and patient centered medial home, then the more you are certified.
    ii. Dan Meuse: I will give an example, not one the exchange expects to do, we could say will rate your EMR incentive level, not if you give a less than market high incentive. That evaluation ability is undefined right now, we can think through different definitions of it, and as we get into criteria of it some are different than QHP level.
i. Stacy Paterno: How will some of the things we are looking at here going to align with what we are discussing today.
    i. Dan Meuse: That gets a bit to the process of certification and standards. There is a policy decision that the state will be thinking through: at which level of regulation and contracting do certain items get entered. Right now the affordability standards are market wide; are there other items that get into the federal minimum QHP standards that are better suited to be a market wide thing than a QHP thing. Does the exchange make certain requirements or does OHIC make certain requirements. That is where we think through things like this.
    ii. Deb Faulkner: Starting with the OHIC regulatory requirements, which ones fit and don't fit, and where does it add on. There are some things that add on, and make us revisit affordability standards market wide perhaps. There is nothing we are going to do that is inconsistent with affordability standards, but are we going to add on to that, and if we are do we need to refine those standards along the way.
    iii. Dan Meuse: We are looking at a population looking at the exchange who will be flipping back and for the between the exchange and Medicaid over months and years. We also need to consider do we need to do the same for Medicaid.
    iv. Stacy Paterno: Then I would say how does that get into the state wide coordinated health plan? There are public health issues, tied in there etc. I would love to see a slide showing us how this all works together. The reality is that you can think like meaningful use, trying to do the right but unintentionally knocking something over.
    v. Dan Meuse: In the Lt. Governor's office, the best way to avoid those unintended consequences is to have this process be as

open and transparent as possible, and have as many people in the room as possible.

j. Stacy Paterno: Are we talking about plans on the subsidized exchange or?
    i. Dan Meuse: Both.
    ii. Stacy Paterno: How do you line those up with what is happening with Medicaid right now?
    iii. Dan Meuse: Let's call this an aspirational list at times?
k. Rich Glucksman: To the left hand column on example innovation criteria are you of the belief tat none of these exist today?
    i. Dan Meuse: If we know we are going to have a multi-state plan and it is cheaper because it doesn't participate in patient centered medical home etc, it will look cheaper, but it will look cheaper for the wrong reasons, and will be lacking in things policy decision-makers feel are important for our consumers. Thus the thought then follows: do we need to expand our state criteria.
    ii. Rich Glucksman: It is then a reassuring message that carriers here are doing the things that you look and want to continue that moving forward?
    iii. Dan Meuse: Yes, and from the staff perspective we want to ensure that carriers who are currently participating in market reforms are doing so, are encouraged to continue doing so. We also want to encourage carrier-based innovation, balancing a drive toward an alignment with market decisions – it is that balance.
l. Linda Katz: Is there a crosswalk between what Medicaid is doing in these areas, what the commercial market is doing, and what is mandated or required?
    i. Rich Glucksman: That is a great idea and I know we would be happy to put that forward to show what we are doing in that department.
    ii. Linda Katz: Yes, I think that would be key, to pull it all back in, with Medicaid, so we have that alignment.

III. Public Comment – No additional comment put forward.

IV. Adjourn – the meeting adjourned at 9:00am. Next meeting June 18, 2012